

104TH CONGRESS
1ST SESSION

H. R. 2306

To amend title 5, United States Code, to provide additional investment funds for the Thrift Savings Plan, and to make the percentage limitations on individual contributions to such Plan more consistent with the dollar amount limitation on elective deferrals.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 1995

Mrs. MORELLA (for herself, Mr. MORAN, Mr. DAVIS, Mr. WOLF, Mr. FROST, Mr. ACKERMAN, Mr. WELDON of Pennsylvania, Mr. PETRI, Ms. NORTON, and Mr. MCCRERY) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

A BILL

To amend title 5, United States Code, to provide additional investment funds for the Thrift Savings Plan, and to make the percentage limitations on individual contributions to such Plan more consistent with the dollar amount limitation on elective deferrals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Thrift Savings
5 Plan Enhancement Act of 1995”.

1 **SEC. 2. ADDITIONAL INVESTMENT FUNDS.**

2 (a) DEFINITIONS.—Subsection (a) of section 8438 of
3 title 5, United States Code, is amended—

4 (1) by redesignating paragraphs (5) through
5 (8) as paragraphs (6) through (9), respectively;

6 (2) by inserting after paragraph (4) the follow-
7 ing:

8 “(5) the term ‘International Stock Index Invest-
9 ment Fund’ means the International Stock Index In-
10 vestment Fund established under subsection
11 (b)(1)(E);”;

12 (3) by striking “and” at the end of paragraph
13 (8) (as so redesignated by paragraph (1));

14 (4) in paragraph (9) (as so redesignated by
15 paragraph (1))—

16 (A) by striking “paragraph (7)(D)” each
17 place it appears and inserting “paragraph
18 (8)(D)”; and

19 (B) by striking the period and inserting “;
20 and”; and

21 (5) by adding at the end the following:

22 “(10) the term ‘Small Capitalization Stock
23 Index Investment Fund’ means the Small Capitaliza-
24 tion Stock Index Investment Fund established under
25 subsection (b)(1)(D).”.

1 (b) ESTABLISHMENT OF NEW INVESTMENT
2 FUNDS.—

3 (1) IN GENERAL.—Paragraph (1) of section
4 8438(b) of such title is amended—

5 (A) by striking “and” at the end of sub-
6 paragraph (B);

7 (B) by striking the period at the end of
8 subparagraph (C) and inserting a semicolon;
9 and

10 (C) by adding at the end the following:

11 “(D) a Small Capitalization Stock Index Invest-
12 ment Fund as provided in paragraph (3); and

13 “(E) an International Stock Index Investment
14 Fund as provided in paragraph (4).”.

15 (2) SPECIFIC REQUIREMENTS.—Subsection (b)
16 of section 8438 of such title is amended by adding
17 at the end the following:

18 “(3)(A) The Board shall select an index which is a
19 commonly recognized index comprised of common stock
20 the aggregate market value of which represents the United
21 States equity markets excluding the common stocks in-
22 cluded in the Common Stock Index Investment Fund.

23 “(B) The Small Capitalization Stock Index Invest-
24 ment Fund shall be invested in a portfolio designed to rep-
25 licate the performance of the index in subparagraph (A).

1 The portfolio shall be designed such that, to the extent
2 practicable, the percentage of the Small Capitalization
3 Stock Index Investment Fund that is invested in each
4 stock is the same as the percentage determined by dividing
5 the aggregate market value of all shares of that stock by
6 the aggregate market value of all shares of all stocks in-
7 cluded in such index.

8 “(4)(A) The Board shall select an index which is a
9 commonly recognized index comprised of stock the aggre-
10 gate market value of which is a reasonably complete rep-
11 resentation of the international equity markets excluding
12 the United States equity markets.

13 “(B) The International Stock Index Investment Fund
14 shall be invested in a portfolio designed to replicate the
15 performance of the index in subparagraph (A). The port-
16 folio shall be designed such that, to the extent practicable,
17 the percentage of the International Stock Index Invest-
18 ment Fund that is invested in each stock is the same as
19 the percentage determined by dividing the aggregate mar-
20 ket value of all shares of that stock by the aggregate mar-
21 ket value of all shares of all stocks included in such
22 index.”.

23 (c) ACKNOWLEDGEMENT OF INVESTMENT RISK.—
24 Subsection (d) of section 8439 of such title is amended—

1 (1) by striking “the Common Stock Index In-
2 vestment Fund or the Fixed Income Investment
3 Fund described in paragraphs (1) and (3), respec-
4 tively, of section 8438(a) of this title” and inserting
5 “the Common Stock Index Investment Fund, the
6 Fixed Income Investment Fund, the International
7 Stock Index Investment Fund, or the Small Capital-
8 ization Stock Index Investment Fund”; and

9 (2) by striking “either such Fund” and insert-
10 ing “any such Fund”.

11 **SEC. 3. PERCENTAGE LIMITATIONS ON CONTRIBUTIONS.**

12 (a) AMENDMENTS RELATING TO FERS.—

13 (1) IN GENERAL.—Subsection (a) of section
14 8432 of such title is amended by striking “10 per-
15 cent of”.

16 (2) JUSTICES AND JUDGES.—Subsection (b) of
17 section 8440a of such title is amended—

18 (A) by striking paragraph (2) and by re-
19 designating paragraphs (3) through (7) as
20 paragraphs (2) through (6), respectively; and

21 (B) in paragraph (6) (as so redesignated
22 by subparagraph (A)) by striking “paragraphs
23 (4) and (5)” and inserting “paragraphs (3) and
24 (4)”.

1 (3) BANKRUPTCY JUDGES AND MAG-
2 ISTRATES.—Subsection (b) of section 8440b of such
3 title is amended—

4 (A) by striking paragraph (2) and by re-
5 designating paragraphs (3) through (8) as
6 paragraphs (2) through (7), respectively;

7 (B) in paragraph (4) (as so redesignated
8 by subparagraph (A)) by striking “paragraph
9 (4)(A), (B), or (C)” and inserting “paragraph
10 (3)(A), (B), or (C)”; and

11 (C) in paragraph (7) (as so redesignated
12 by subparagraph (A)) by striking “Notwith-
13 standing paragraph (4),” and inserting “Not-
14 withstanding paragraph (3),”.

15 (4) COURT OF FEDERAL CLAIMS JUDGES.—
16 Subsection (b) of section 8440c of such title is
17 amended—

18 (A) by striking paragraph (2) and by re-
19 designating paragraphs (3) through (8) as
20 paragraphs (2) through (7), respectively;

21 (B) in paragraph (4) (as so redesignated
22 by subparagraph (A)) by striking “paragraph
23 (4)(A) or (B)” and inserting “paragraph (3)(A)
24 or (B)”; and

1 (C) in paragraph (7) (as so redesignated
2 by subparagraph (A)) by striking “Notwith-
3 standing paragraph (4),” and inserting “Not-
4 withstanding paragraph (3),”.

5 (5) JUDGES OF THE UNITED STATES COURT OF
6 VETERANS APPEALS.—Paragraph (2) of section
7 8440d(b) of such title is amended to read as follows:
8 “(2) For purposes of contributions made to the Thrift
9 Savings Fund, basic pay does not include any retired pay
10 paid pursuant to section 7296 of title 38.”.

11 (b) AMENDMENTS RELATING TO CSRS.—Paragraph
12 (2) of section 8351(b) of title 5, United States Code, is
13 amended by striking “5 percent of”.

14 **SEC. 4. EFFECTIVE DATE.**

15 (a) IN GENERAL.—The amendments made by this
16 Act shall take effect on the date of the enactment of this
17 Act.

18 (b) COORDINATION WITH ELECTION PERIODS.—The
19 Executive Director shall by regulation determine—

20 (1) the first election period in which elections
21 may be made with respect to the new investment
22 funds established pursuant to the amendments made
23 by section 2; and

1 (2) the first election period in which elections
2 may be made consistent with the amendments made
3 by section 3.

4 (c) DEFINITIONS.—For purposes of this section—

5 (1) the term “election period” means a period
6 afforded under section 8432(b) of title 5, United
7 States Code; and

8 (2) the term “Executive Director” has the
9 meaning given such term by section 8401(13) of
10 title 5, United States Code.

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